

**Unemployment Insurance Trust Fund Status**

Job Service North Dakota

Before the

Budget Section

Representative Don Vigesaa, Chairman

June 22, 2021

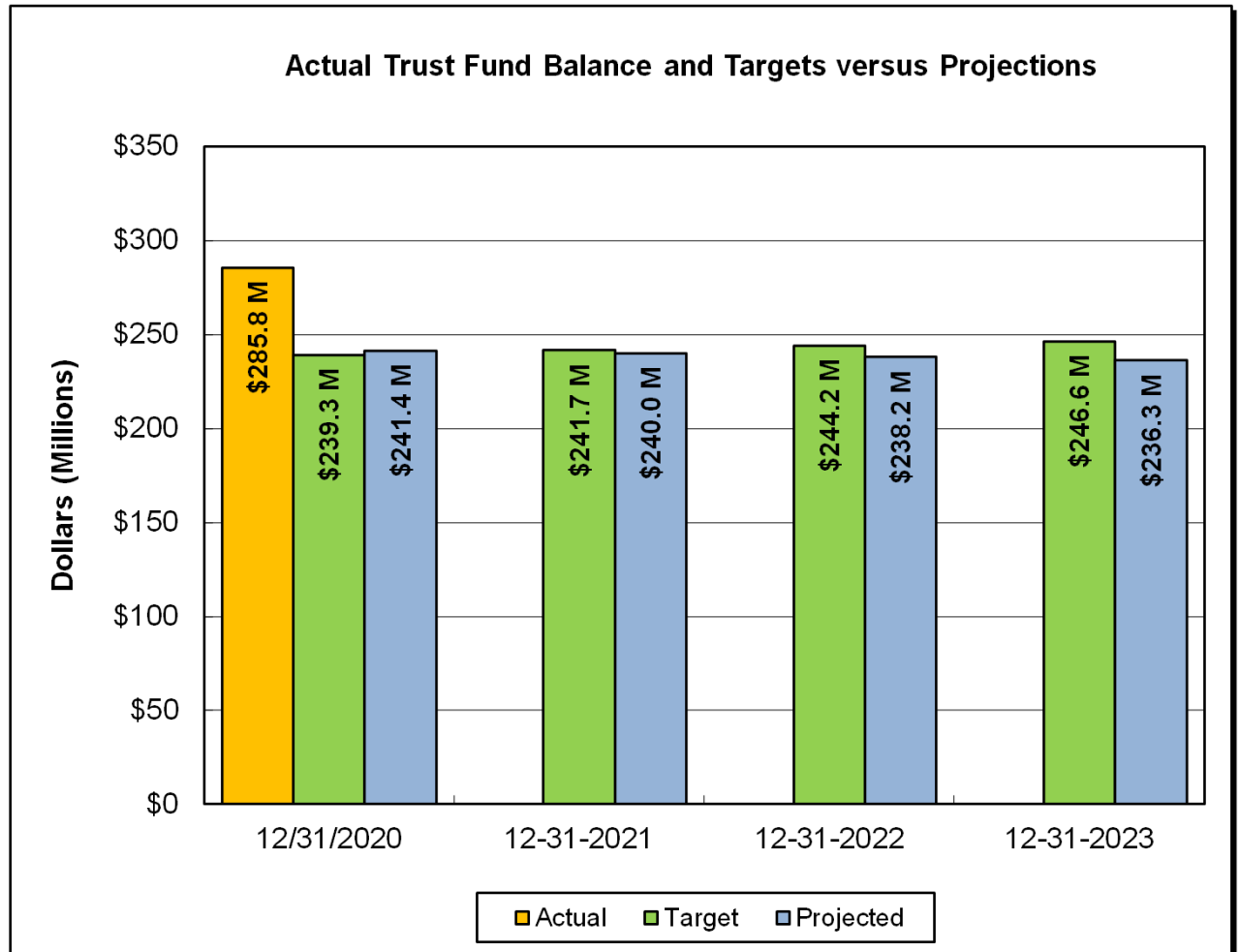
Mr. Chairman, members of the Budget Section, I am Darren Brostrom, Deputy Director of Job Service North Dakota. My purpose in addressing you today is to provide a brief update on the Unemployment Insurance trust fund balance.

As of December 31, 2020, the balance of the trust fund was \$285.7 million, with a target of \$239.3 million. For this same period, the multiplier was 1.01 with a target of 1.0. Page two of this testimony provides a graphical representation of the balance, target, and three-year projections.

The pandemic placed extreme stress on the Unemployment System, but the actions taken by you to utilize CARES Act funding to supplement the Trust Fund in 2020 proved to be extremely valuable. This action ensured that the fund remained solvent and borrowing was not required. Not only did this action protect unemployed citizens, but also served to prevent any Unemployment Insurance tax increases for our employers.

I am happy to report that while the program was stressed last year by pandemic claim volumes, the fund is in good shape and not at risk.

Mr. Chairman, this concludes my update. I would be happy to answer questions from the committee.



Year Ending	Actual Trust Fund Balance Excluding Reed Act Cash	Targeted Modified Average High-Cost Multiplier	Projected in 11-2020		
			Modified Average High-Cost Multiplier	Trust Fund Target	Trust Fund Balance
12/31/2020	285,751,150.50	100%	101%	239,300,000.00	241,382,469.95
12-31-2021				241,700,000.00	239,999,989.95
12-31-2022				244,200,000.00	238,163,989.95
12-31-2023				246,600,000.00	236,337,989.95